

September 16, 2003

STATEMENT OF INTENT

The Secretary of the U.S. Department of Energy (DOE) and the Chairman of the China Atomic Energy Authority (CAEA) affirm with satisfaction the recent understandings reached on exchange of nonproliferation assurances required for transfers and mutual exchanges of nuclear technology.

With the exchange of diplomatic notes between the U.S. Embassy in Beijing and China's Ministry of Foreign Affairs that state the understandings, we declare our intent to implement them effectively and efficiently, and with all necessary resources of our respective organizations.

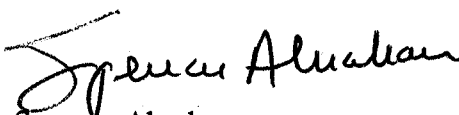
The understandings establish a process for determining what nuclear technologies require government-to-government nonproliferation assurances and set forth procedures for exchange of the assurances.

Once nuclear technology proposed for transfer is determined to require nonproliferation assurances, the government of the recipient country will commit to ensuring it will be used exclusively for peaceful purposes and not for any military or nuclear explosive purpose and that transferred technology or items derived therefrom will not be retransferred without the prior consent of the government of the supplier country.

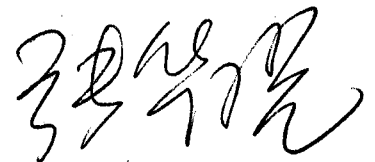
Further, the term limits on DOE authorizations for U.S. nuclear vendors to support China's nuclear power program will be extended, when so requested by CAEA for an individual contract. .

In addition, reciprocal nonproliferation assurances will be exchanged when required for joint U.S.-Chinese projects. The first reciprocal assurances are to enable collaboration between Massachusetts Institute of Technology's Department of Nuclear Engineering (MIT/NED) and Tsinghua University's Institute of Nuclear Energy Technology (TU/INET) on a Modular High Temperature Gas Pebble Bed Reactor (MPBR).

The understandings hold the promise of expanded U.S.-Chinese nuclear cooperation and commerce, at the same time strengthening the international nuclear nonproliferation regime. We express our commitment to realizing that promise.



Spencer Abraham
Secretary
U.S. Department of Energy



Zhang Hua-zhu
Chairman
China Atomic Energy Authority